

ORIGINAL

FORMAL COMPLAINT



0000172498

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE  
CHAIRMAN  
ANDY TOBIN  
COMMISSIONER  
BOB STUMP  
COMMISSIONER  
BOB BURNS  
COMMISSIONER  
TOM FORESE  
COMMISSIONER

Arizona Corporation Commission

DOCKETED

AUG 08 2016



RECEIVED

AZ CORP COMMISSION

DOCKET CONTROL

2016 AUG 8 PM 3 00

WS-02987A-16-0275

|   |                  |
|---|------------------|
| IN THE MATTER OF THE FORMAL COMPLAINT<br>OF "AMY" AMANDA MCINTEER-SIMPSON<br>AGAINST JOHNSON UTILITIES, LLC | FORMAL COMPLAINT |
|---|------------------|

Johnson Utilities is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. 40-246.

Commission Rules on Water: All water companies that fall within the jurisdiction of the Arizona Corporation Commission must abide by the rules and regulations of Title 14, Article 4 of the Arizona Administrative Code. Under R14-2-402

(B)(3)(e)

ii : That if the application is granted, the intended applicant will be the exclusive provider of the specific services to the proposed service area or extension area and will be required by the Commission to provide those services under rates and charges and terms and conditions established by the Commission.

A utility shall not discontinue or abandon any service currently in use by the public without first obtaining authority therefore from the Commission.

A utility desiring to discontinue or abandon a service shall file with the Commission an application identifying the utility; including data regarding past, present and estimated future customer use of the service; describing any plant or facility that would no longer be in use if the application were approved; and explaining why the utility desires to discontinue or abandon the service.

In Decision No 75325 It was further ordered and granted that the Commission's Utilities Division's reserved its ability to address any similar issues raised in that docket that may subsequently arise.

On June 16, 2015 at 5:09pm Johnson Utilities posted to their facebook page, "Johnson Utilities Guarantees the Standpipe Will Remain Open. Our standpipe service will continue to serve Johnson Utilities customers and we further guarantee it will stay open."

On July 24, 2015 Johnson Utilities posted a newsletter stating:

*"Johnson Utilities regrets to inform you that we must close our standpipe water service permanently. Continued problems, liabilities and multiple vandalism repairs make this decision necessary. We will be closing the standpipe service at 4:00pm on Wednesday, August 5, 2015. Please make alternate arrangements for your water supply. Johnson Utilities would like to thank you for your understanding and your patronage throughout the years."*

On July 29, 2015 the ACC advised Johnson Utilities that they could not shut the standpipe down without going through the proper and legal process to do so. Unfortunately sometime that same evening into the following morning the screen to the standpipe was vandalized and would require the screen be replaced.

On July 31, 2015 the ACC ordered Johnson Utilities to repair the standpipe immediately.

Ultimately the repair never happened, but with the promise of water main extensions from Johnson Utilities and the guarantee that this permanent solution of water lines to our homes would happen sooner than which the standpipe could be repaired. Trusting the word of George Johnson; myself, nor any of the other residents intervened on the docket regarding the closure of the standpipe. Please refer back to Docket No. WS-02987A-15-0284 in which Staff alleged that Johnson terminated its standpipe operation in violation of A.A.C. R14-2-402(C),<sup>7</sup> and therefore recommended that Johnson be ordered to restore standpipe service. The Commission ordered the Hearing Division to conduct a hearing to address whether Johnson's standpipe service was lawfully discontinued. Prior to the hearing, Johnson said he intended to extend water distribution mains to the area at issue in the Complaint. In reliance upon those representations, the Commission administratively closed the standpipe docket without prejudice.

At a community meeting held on 12/14/2015 Chris Johnson spoke representing Johnson Utilities and Roadrunner Transit. In this meeting he stated that the standpipe would not be made operational again, he spoke of the proposal being offered by Johnson Utilities, as well as *"gave his word" while shaking Tim Horn's hand saying that RRT would continue to deliver water for \$12 per 1000 gallons until water lines were in front of our homes.*

At the ACC open meeting regarding the standpipe George Johnson said *"That's what I kinda leaned on some people to furnish that, I don't have a tariff and I'll go to the supreme court to prove that, but what I will do, I'll give you my word today, that water, will be hauled, by someone for no more than \$12 per 1000 and there's availability 24/7. Now I can't do any better than that."*

During this same meeting he also claims that residents can haul water from either Apache Junction or Florence.

Neither of these two standpipes are within Johnson Utilities CC&N. In my opinion that does not constitute providing the utility service in which he has a CC&N for.

In that open meeting he states, that the last time the standpipe was vandalized in took two months to repair which is completely untrue. The screen to the standpipe was damaged on February 20, 2015 and was up and running again the afternoon of February 25, 2015.

Their argument to not getting the standpipe operational again was that it would take 2-3 months to get it running again, which main line extensions would be halfway completed by then. This is the only reason myself and likely other residents did not intervene on the closure of the standpipe docket.

During our community meeting in which Chris Johnson spoke on behalf of RRT and JU he stated that main line installs would be paid for through his families non profit foundation and that customers would only have to pay for

the meter install. He stated we would also be responsible for installation and costs associated with running water lines from our home to the street where the meter would be installed. He also mentioned that Johnson Utilities would be offering financing through the company for the meter installs.

*Transcribed conversations from this meeting: Chris: I'm Chris Johnson, I'm Georges son, I have Trey, he's our construction manager, uh for uh Johnson Utilities. Uh, my father, wants to finance run, the main line extension for everybody OK? Now everyone can probably come up with their share of the money OK, we don't quite have all those figures yet, but you won't have to come out of pocket on that until end until we actually put the meters in, correct?*

**Trey: yep**

Chris: So.

**Customer7?: So when will they have to come up with the money?**

**Trey?: We're going to start construction on it, and once the line is in, and approved, chlorinated and everything, you can finance 100% of it, but you have to give 20% down, so. Like if you had say, you were at that \$50,000 dollar mark, and there's 16, or 20 customers on there, that's \$2500 a piece.**

Bret: So \$500 down would get you hooked up, and then each [garbled] financing.

Trey?: Financing for 3 years.

Customer7?: Three years?

Chris: Yea, financing for 3 years, whatever the going rate is.

Customer10: What's the interest rate on it?

Chris and other: Whatever the going rate is.

Customer7: Or whatever it's tied to.

Chris: Yea

Customer7: But, over 3 years, how much money are we talking about?

Chris: You're probably talking about less than

Bret: 2000 bucks

Trey: yea, 2000 bucks, it all depends on...

Bret: And so, to me when I heard about you guys doing it that way was, man I don't even, I can't even run the diesel enough to do that. So that's the option, but what I'm understanding is that Johnson Utilities, not Johnson Utilities, this is funded from the family I guess

**Chris: Johnson Family Foundation**

**Bret: Johnson Family Foundation is willing to kick in the money to finance the whole thing, so let's say there's 30, I don't know how many people are on Bonnie, but I know the minimum acreage, and isn't it the general rule in there where it's an acre and a quarter?**

Customer?: Most of them are 2.3 out there.

Bret: So whatever the, and I don't know, so yea, so if it can't be split in half then it has to remain [garbled] so that's one lot. So however many lots are down that line, that's where it will get divided by.

**Customer7: So is it, do they have an option? Are they saying that if they run it down the street, that everybody has to hook on or what are we saying here?**

**Customer?: No you don't have to...**

**Bret: But if you want to then he'll finance it**

In this statement a customer clearly asked: "are they saying that if they run it down the street, that everybody has to hook on or what are we saying here? The answer to that question was no, thus leading everyone to believe that customer hookups was not the deciding factor on whether or not line installs would continue or not!

In a letter to customers dated November 4, 2015 on Johnson Utilities letterhead they write...

*"Dear Future Customer,*

*Have you heard the news? Johnson Utilities has been installing water mains in your area and wants to know if your street should be next? **Let us know IF YOU WOULD SIGN UP FOR WATER SERVICE IF WE INSTALLED WATER MAINS IN FRONT OF YOUR HOME. For those we have already spoken with, THE RESPONSE HAS BEEN OVERWHELMINGLY POSITIVE.**"*

*The letter goes on to say, "**Johnson Utilities will be installing the water mains AT THEIR COST. YOU WILL NOT HAVE TO PAY ANY PRORATED SHARE OF THE WATER MAIN INSTALLATIONS.** However, you will be required to pay for Johnson Utilities to install the water service to the edge street right-of-way or property line in front of your home. (Copy of letter in its entirety will be attached to formal complaint)*

The facts that are undeniable in this letter. 1) People were not expected to sign up for service UNTIL LINES WERE IN FRONT OF THEIR HOME! 2) They admitted that the response has been overwhelming. 3) Customers would not have to pay for main line extensions, JU was installing at THEIR COST, thus mainline extension agreements do not seem like they would be necessary.

*On April 1, 2016 I sent an email to Trish at [tkelly@johnsonutilities.com](mailto:tkelly@johnsonutilities.com) trying to get further information as to what was happening with the water main installs. I asked that the company be*

*honest and upfront with customers, as communication was something that has been lacking during this entire process over the last year. Trisha, who was responsible for collecting deposits for water line installs, never returned my email. (Copy of email attached)*

*In a letter dated April 28th, 2016 which we received a few days later was a letter from Johnson Utilities stating that they were refunding our deposit placed with the company for water main installs. The company states that it is unfortunate that more interest was not generated with the planned water main installation projects. Brad Cole continues in his letter saying "the rest of our 26,000 water customers cannot continue to subsidize these water main installation projects"*

Let me again just quote what was stated by Brad Cole in his letter to future customers on November 4, 2015 "**Johnson Utilities will be installing the water mains AT THEIR COST. YOU WILL NOT HAVE TO PAY ANY PRORATED SHARE OF THE WATER MAIN INSTALLATIONS.**"

I would urge the Commissioners to further investigate which of these two statements is actually the truth because somewhere along the way potential customers, the Commissioners, and myself were lied to by Mr. Cole. I personally

have serious concern that we were all told that this project would be covered by The Johnson Family non profit foundation, yet Mr. Cole months later claims that these costs are being subsidized by ratepayers?

*On May 5, 2016 I sent an email to Matt Hipsher aka Ohio @ [mhipsher@johnsonutilities.com](mailto:mhipsher@johnsonutilities.com) trying to see if he had any follow up information he could give me following our conversation we had 3 weeks prior in his office. Once again there was no response to my email.*

Another concern I have, if infact Johnson Utilities was intending to have future customers sign into main extension agreements and pay for line installations, the company failed to.....

#### **R14-2-406. Main extension agreements**

**B-2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.**

In addition under this same definition on line K. at no point did the company get bids from 3 different companies giving us future customers the option to go with the lowest bid.

I can only assume this was not done because once again the company was not intending for future customers or current ratepayers to front the costs of these installs.

**K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited,**

the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.

At our community meeting with Chris Johnson and Bret Marchant, Bret said *"there's laws and stuff, and he can't use Johnson Utilities moneys because if you did that, that's people's money going into somethir else. That'd be like taking San Tan Heights money and financing that project. That's illegal. So he's going to try to do this out of his own pocket somehow, and I'm not sure how they're going to do that yet, but they're working on it.*

*Customer1: [garbled]*

*Bret: I'm sorry?*

*Customer1: [garbled]*

*Bret: It's a family foundation I guess that their using, I just wonder, Johnson Family Foundation.*

*Customer 2: What about people that cannot afford to do it?*

*Bret: I think what he's going to offer is better than that. His family foundation, if they can do it*

So once again, why does Brad Cole state in his letter that it's unfair for the other 26,000 customers to subsidize this project, if in fact it is illegal?

The shutdown of the standpipe along with the complete failure of Johnson Utilities following through with main line extensions has caused major hardships for my family. Let me start by explaining a little bit about my family. Currently my husband is the sole provider for our family. We had hoped to have our 501c3 by now but the money that we planned to go towards hiring a lawyer to help us properly obtain it now goes towards outrageous water hauling fee's.

With livestock and kids it's inevitable that occasionally the water hose will either get left on or one of the horses will turn the water spicket on. Unfortunately this has already happened to us a few times this summer, two of the times in which it has completely drained our holding tank that had at least 2000 gallons in it. When this happens we cannot just call RRT to have them bring us water as they never honored the 24/7 availability that Mr Johnson promised to commissioners as well as customers. They only haul 11 loads per day from 6am to 6pm. If you run out of water outside of that timeframe well then you just don't have water. So then if something like this happens and drains the tank in the middle of the night we are then expected to wake our children up and drive 60 plus miles round trip to a neighboring town with a standpipe, that may or may not be functioning!?

Numerous times we have run out of water and RRT has not been able to get water to us for one to three days later. Numerous times I have either had to drive to a family member's house so that my family can take showers. I have had to send my young kids to school without showers on more than two occasions. There have also been countless times that we have had to drag our kids out til 3:00am hauling water with us when they are supposed to wake up at 6:00am to get ready for school. So now not only are the adults lives being affected, but so are my children's lives as well as their educations!

In the summer months, we, on a shared tank go through about 47,000 gallons per month which the cost is split between us and our neighbor. Unfortunately we are ordering and hauling in more than half the water because the neighbor will not order more water. So now it seems we are paying part of our neighbors portion of water and we don't have much choice in it because we can't go without water.

For some of us we do not have a vehicle that is appropriate for hauling water. I personally own a 2002 Suburban and it is not rated to haul more than 500 gallons if even that. Some residents don't even own a truck, so how is it fair to expect customers within JU's CC&N to have to go purchase a ¾ ton truck or larger just to haul water?

We do everything we can to save money as well as water. We have switched out all of our faucets to low

flow faucets. We try to carry any dirty water troughs over to the pigs areas to dump the water in there for them to use as mud pits. Instead of spraying down the animals on really hot days we have bought hose timers that the misters run for 10 minutes per hour each hour during the hottest times of the day. We don't run our ac like we used to so it is hotter in our house trying to reduce our electric bill. I try not to use my dryer anymore and instead hang dry our clothes again attempting to reduce energy costs. We simply cannot afford to buy our three kids what we normally would to send them back to school, infact my daughter was able to secure a temporary job for 2 weeks over 4th of July which she used all of her money to purchase school clothes and pay for her high school fees and books. We have even changed the way we eat which sadly it's cheaper to eat unhealthy foods than it is to eat healthy foods including fresh produce.

These are issues my kids shouldn't even be worrying about! They should be worried about school and playing, not how much water do we have left, how can we afford to get more water, etc.

We cannot afford to have RRT haul much more than 2,000 gallons per week right now, especially with 3 kids going back to school this week, and we certainly can't afford to have the other water hauler that we know of haul to us. We only have a 275 gallon hauling tank so we have to borrow our neighbor's 500 gallon tank and trailer which has horrible tires. Attempting to haul water in from Florence or Apache Junction could prove disastrous. I personally will not risk the lives of every person within my path. Hauling that kind of weight that long of a distance is dangerous in itself, let alone with tires that are read to blow at any moment.

Last summer when all of this began we lost quite a few of our livestock. From August to about November, it was devastating. Trying to adjust, not just our time but our finances to either haul in our own water by 55 gallons drums or try to scrape together the money to have it hauled in for us was difficult.

Often times we were hauling water til the early hours of the morning and I often ended up getting to wor late or I would go on just one or two hours of sleep.

The pipes that run to our water shut off valve was broken by one of the RRT drivers when he ran over the shut off valve box and broke the pipe. Johnson Utilities sent Matt aka Ohio out to assess the damage, he then went to the hardware store to buy what he thought were the appropriate supplies needed. Later that night around 10pm after the guys did the best they could with what they had it still wasn't fixed.

Apparently the pipe was broken farther up so they told us to leave the water shut off but that we could turn it on to shower real fast then shut it back off. Well we did that and it wasn't just a small leak, water began spraying everywhere so we shut it off and my husband ran to walmart to buy some stuff to attempt to patch it up as best as possible. Finally around 4pm the following day it was repaired, but we had been left for 23 hours without water.

That same piping appears to have a small leak now, we are uncertain if it is stemming back to the last break or if having a huge water hauling truck with 2000 gallons of water running over it 3 to 6 times per

week is just too much weight for it to handle. Needless to say we now have to dig up that pipe again and see where its leaking from.

Right now we are spending \$320.00 to have water hauled in every 4 weeks, plus I have been hauling in between 15k and 20k gallons of water myself in 500 gallon loads per trip, in those 4 weeks. We conserve water and other resources as much as we possibly can just so we can keep a roof over our heads and food in our kids bellies every month. It is ridiculous that anyone has to spend the equivalent of 40% to 90% of their mortgage payment just on a water bill. We had toughed it out in hopes of water lines but now that it is apparent that the company has decided not to follow through with their promises and no relief in site we are becoming very concerned about whether or not we can continue to pay our bills and keep a roof over our families heads.

Had I known that we would be where we are today, meaning without water, I most certainly would have fought harder to keep the standpipe open. It shocks me that we are still without water. The saddest part of this situation right now is that water lines are literally 0.3 miles from our home! Really? There is no logical reason why our deposit was returned with the companies letter refusing to continue installing water lines when they are seriously just 0.3 miles away!

George Johnson/Johnson Utilities made the decision to shut down the standpipe in the middle of summer in Arizona, in a rural community that had grown to dependant on the service the company had been providing for over 10 years. The original standpipe docket, along with Nick Myer's informal complaints last year show that it seemingly stemmed from Mr Johnson and Brad Cole deciding to shut off his business account...this lead to what looks in the eyes of many, a vindictive move across the board against not just Nick, but the entire community to prove some "point" the owner must have felt he wanted to make. Control? Perhaps. But whatever his reasoning was, any true humanitarian wouldn't have even thought of doing this in the middle of summer, it was not just illegal, but inhumane.

This perceived behavior and to be reigned in by those who have regulatory oversight of utilities. The company no longer acts in the "public interest" when actions over the past year have openly proven otherwise. It's been stated over and over on JU newsletters that the company owner knows what's best for San Tan Valley. The political rhetoric, and the slamming of concerned advocates for the public good, and now the "control" over our lives and livelihood is one the Commission shouldn't take lightly anymore. It's been stated in other dockets in the past that the commission is afraid of Mr Johnson...it's been stated the same for those in our community. His lawsuits against his own customers for complaining, have garnered that reputation. We will not walk in fear any longer. We will hold accountable all who serve and have oversight for our water supply.

This is the time for Johnson Utilities to just do what they promised to do, what they are legally obligated to do, what is right for them to do. This is the time for the Arizona Corporation Commissioners to step up and let George Johnson know that this will not be tolerated. If he does not want to provide us with water then hand over the CC&N to a company that will. No one is asking for a handout. We are prepared to



finance through the company for meter install and hookup, however the company stated that Johnson / the family foundation would be covering the costs to lay the water lines. We are asking for just an ounce of compassion from this company, for once! We are asking this company to hold true to your word because when it's all said and done, we are only as good as our word. Our words need to be followed through by actions.

The following is a recent facebook post by me. I think this sums up what I am feeling and what this situation is doing to my family.

**Amy Simpson** at Freedom Ranch.

I wonder if George Johnson or any of his children have literally had to go into their room away from their kids and just sit and cry every single day because of nothing more than fear and anger. A mother having to fear for her family, an animal lover and rescuer fearing for the safety and well being of her animals.

I sit here writing this post with a cool rag wrapped around my head wiping tears away from my eyes with fear and anger flowing through my veins. It is hot in my house as you can see by the thermostat. Though this is not directly the fault of GJ/JU and RRT, indirectly it is. It is because we don't have water main lines ran to our home, we don't have a standpipe less than 2 miles away that costs 2.49 per 1000 gallons forcing us to pay 16.00 per 1000 which ultimately has made it impossible for us to afford to fix our AC unit on the house. We have a few window AC units but as you can see they just can't keep up with this heat, we have a window swamp cooler but it uses an insane amount of water as this heat just evaporates it so fast. I just went out and sprayed down all of the animals and gave them a bunch of fresh fruit and veggies to help increase their water intake. I turned their misters on that are set up on timers to run for 10 minutes on each hour but as I came back inside to cool down I noticed the light on our tank was on. Tomorrow is the neighbor's day to pay for water delivery.... I pray her account is current. If not we will not get water.

I pray that God will force GJ and every one of his affiliates and employees to have to endure just one day in my life, I also pray that members of the ACC and every government agency that has failed to ensure that JU followed the laws and regulations of said utility be forced to endure a day in the life of mine.

Just one day for anyone who has yet to stand up and use their voice, for all residents of San Tan valley who can simply turn on the faucet and water flows freely I wish they knew what life was like for me and many of us in this rural community, I wish they'd stand up and fight with us.

Proverbs 31:8-9

Open your mouth for the mute, For the rights of all the unfortunate. Open your mouth, judge righteously, And defend the rights of the afflicted and needy.

Proverbs 21:13

He who shuts his ear to the cry of the poor Will also cry himself and not be answered

Philippians 2:4

do not merely look out for your own personal interests, but also for the interests of others.

1 John 3:17-18

But whoever has the world's goods, and sees his brother in need and closes his heart against him, how does the love of God abide in him? Little children, let us not love with word or with tongue, but in deed and truth

Galatians 6:9-10

Let us not lose heart in doing good, for in due time we will reap if we do not grow weary. So then, while we have opportunity, let us do good to all people, and especially to those who are of the household of the faith.

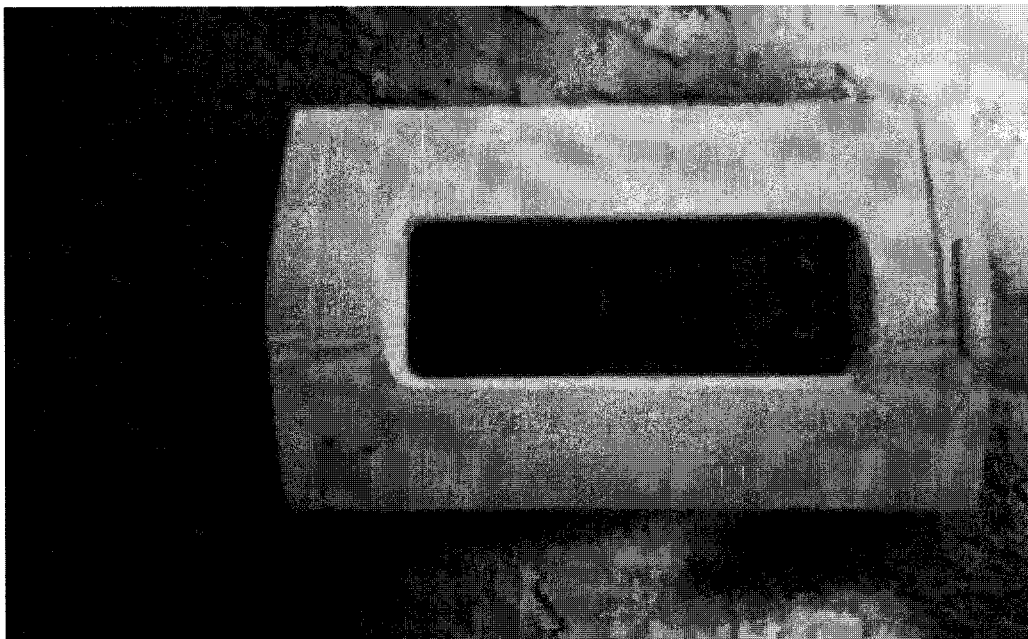
Great one for George

Deuteronomy 14:28-29

"At the end of every third year you shall bring out all the tithe of your produce in that year, and shall deposit it in your town. "The Levite, because he has no portion or inheritance among you, and the alien, the orphan and the widow who are in your town, shall come and eat and be satisfied, in order that the LORD your God may bless you in all the work of your hand which you do.

Deuteronomy 15:11

"For the poor will never cease to be in the land; therefore I command you, saying, 'You shall freely open your hand to your brother, to your needy and poor in your land



I am requesting that the Arizona Corporation Commission order Johnson Utilities to comply with the following:

- 1) Order Johnson Utilities to reinstall the standpipe immediately where it shall remain until water line extensions have been fulfilled in JU's entire CC&N area.
- 2) Order Johnson Utilities to complete water line extensions in an expedited timeframe.
- 3) Order Johnson Utilities to honor their promise in their written letter to potential customers that JU would be paying for water line extensions
- 4) Order Johnson Utilities to honor their financing agreements for the cost of meter install and hookup fees.
- 5) Although the ACC is not in place to grant punitive damages, if they were I would be requesting that the ACC order JU to pay me the difference between the \$12 per 1000 gallons that Mr Johnson guaranteed during the open meeting compared to the \$16 per thousand we are paying now.

I would like to thank each of the Commissioners as well as the Administrative Law Judge for taking the time to review my formal complaint. I am confident that each of you will hold Johnson Utilities to the same standards at which you hold all other water providers. This is not just a customer complaint, this is a matter of LAW, what is legal and what is not. Now I am no lawyer, nor LEO, or any other member of the government but I can read rules and regulations set forth by the ACC and clearly see that Johnson Utilities, a private utility company, without sugar coating things is flat out breaking the law. I am simply asking that he be held accountable, and if not, on what grounds is he made exempt from abiding by such laws, rules and regulations?

Shawn Simpson  
29998 N Meadow Ln  
Queen Creek AZ 85142

RE: Deposit Refund - Service Installation

Dear Mr/Ms Simpson:

Johnson Utilities is refunding the deposit you placed with the Company, plus 6-percent interest, for the service line installation at your property in the "Bonanza" service area. It's truly unfortunate that more interest was not generated with the planned water main installation projects.

To date, Johnson Utilities has installed more than 19,300 linear feet of pipe at a cost of more than \$416,000. Of the potential 700 lots in the Bonanza service area, just 48 have signed up and are now receiving water service from Johnson Utilities. Those figures are pretty dismal and the rest of our 26,000 water customers cannot continue to subsidize these water main installation projects.

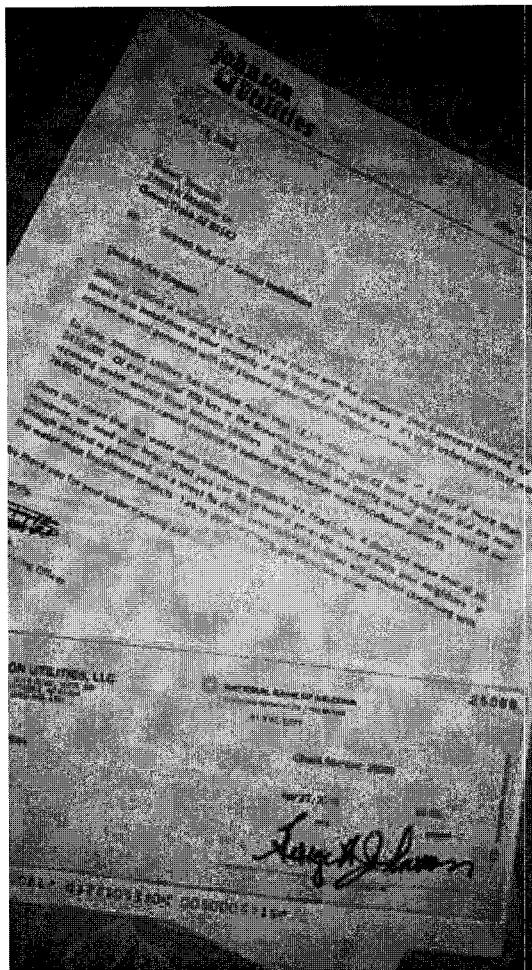
Does this mean that the water main installation projects are dead? No, it does not mean that at all. However, we need your help. What you can do to help us generate interest from your neighbors. If enough interest is generated, on a street by street basis, Johnson Utilities will consider continuing with the water main installation projects. Talk to your neighbors. Get them interested.

We thank you for your understanding and cooperation.

Sincerely,



250065  
12

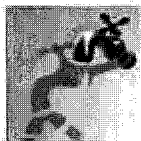




🔍 Johnson Utilities, LLC

 Write Post

### POSTS BY PAGE



**Johnson Utilities, LLC**



Yesterday at 5:09 PM · 🌐

**Johnson Utilities Guarantees the Standpipe Will Remain Open!**

Our standpipe service will continue to serve Johnson Utilities customers and we further guarantee it will stay open.

3 Likes



Like



Comment



Share



**Johnson Utilities, LLC**



June 15 at 4:28 PM · 🌐

WATER-SAVING DEVICE





908 E. Hunt Highway Queen Creek, Arizona 85143 Phone: 480-987-9670 Fax: 480-987-9819

July 24, 2015

**Johnson Utilities Standpipe Customers:**

Johnson Utilities regrets to inform you that we must close our standpipe water service permanently. Continued problems, liabilities and multiple costly vandalism repairs make this decision necessary.

**We will be closing the standpipe service at 4:00 pm on Wednesday, August 5, 2015. Please make alternate arrangements for your water supply.**

Johnson Utilities would like to thank you for your understanding and your patronage throughout the years.

Johnson Utilities, LLC



November 4, 2015

Dear Future Customer:

Have you heard the news? Johnson Utilities has been installing water mains in your area and wants to know if your street should be next? Let us know if you would sign up for water service if we installed water mains in front of your home. For those that we have already spoken with, the response has been overwhelmingly positive. Johnson Utilities is equally excited to provide this opportunity for you.

#### Benefits of Water Service

- No more hauling water or paying the commercial water hauling charges or depending on unstable wells. Let that sink in for a moment.
- 100-year assured water supply. This means that the water is physically available. Further, it means that Johnson Utilities has demonstrated that the water supply is uninterrupted and guaranteed for a 100-year period.
- Significant increase in property values.
- Your time is valuable and not having to haul water anymore will make this opportunity worth its weight in gold.

#### What are Your Costs to Receive Water Service?

Johnson Utilities will be installing the water mains at their cost. You will not have to pay any prorated share of the water main installations. However, you will be required to pay for Johnson Utilities to install the water service to the edge street right-of-way or property line in front of your home. These fees and charges are the Arizona Corporation Commission approved rates and charges and are the same that any customer would pay in our system who request water service from us.

|                            |         |
|----------------------------|---------|
| ¾-inch Water Meter.....    | \$1,585 |
| 1-inch water meter .....   | \$2,295 |
| 1.5-inch water meter ..... | \$4,100 |
| 2-inch water meter .....   | \$6,620 |

Call our office at (480) 987-9870 to receive a breakdown of the approved fees and charges. You will also be required, at your cost, to run water line from the water meter to your home. Part of the fee included in the amounts above, Service Line and Meter Installation Fees, are refundable to you. Each year in November, you will receive a credit on your water bill for 1/10<sup>th</sup> of the cost of the Service Line and Meter installation Fee until that charge is fully refunded.

#### Can I Make Payments for My Share of the Costs?

Yes! You may elect to pay these fees all at one time or by installment payments. The Utility recognizes that coming up with these fees, charges and deposit may be a challenge to some of you. The Utility is generously offering to help by allowing you to make payments until the balance is paid off. The Utility will accept 25% as a down payment and finance the balance at 6% over a 24 month period. This finance offer expires in 90 days on January 29, 2016.



### Service Line and Meter Installation Fee

Pursuant to the Arizona Corporation Commission Rules and in addition to all other applicable rates and charges in the Johnson Utilities tariff, each customer requesting new water service shall pay a Service Line and Meter Installation Charge for each meter requested. The Service Line and Meter Installation Charge shall be refundable to the customer pursuant to A.A.C. R14-2-405(B)(2).

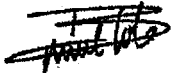
According to rule, "an applicant for service shall pay to the utility as a refundable advance in aid of construction the sum as set forth in the utility's tariff for each size service and meter. Each advance in aid of construction for a service line and meter shall be repaid by the utility by an annual credit of 1/10 of the amount received, said credit to be applied upon the water bill rendered in November of each year until fully paid, for each service and meter for which the advance was made, and said credit to commence the month of November for all such advances received during the preceding calendar year".

### Customer's Side of the Water Meter

You will be required to install a water service line from the meter box (located at the edge of the street right-of-way) to your home. Johnson Utilities will not install water lines on your property. The customer shall be the owner of and shall be solely responsible for the design, installation, maintenance, repair, operation and cost of the service line on the customer's side of the water meter.

Please respond within 10 days by giving us a call at (480) 987-9870 to let us know if you are interested in receiving water service from Johnson Utilities and if we should do your street next. Johnson Utilities is looking forward to having you as a water customer. Our contact information is listed above at the top of the first page.

Sincerely,



Brad Cole  
Chief Operating Officer



Amy McInteer &lt;amy.pgvh@gmail.com&gt;

---

**Water line installation**

1 message

---

**Amy McInteer** <amy.pgvh@gmail.com>

Fri, Apr 1, 2016 at 6:36 AM

To: tkelly@johnsonutilities.com

Hello Trisha

I am sending this email on behalf of my husband Shawn Simpson and myself. We have paid our deposit and it appears that there is no line installations going on anymore. I have heard that Mr. Johnson had stopped putting lines in because only 6 people have paid deposits. My concern here is that the community as well as the ACC were promised regardless of how many people signed up that water would be run to every property out here. So now I question then, why has he stopped?

I have spoken to many people in the community and every single one of them wants to hook up to water, however being concerned with empty promises they absolutely will not pay anything until those water lines are in front of their properties. Perhaps communication between the company and customers would play a vital role in this process?

As far as our situation, we need water and we need in now. Our tax return this year was spent keeping our home from going into foreclosure after trying to keep up with our water needs. We have a shared tank with the cost being split between us and one other person. Our summer water hauling fees as compared to the last two summers is estimated to cost us around \$800.00 per month. We absolutely cannot afford this and a price increase would be detrimental on our family.

We need communication from Johnson Utilities. If the company no longer intends to install water lines as promised then we need to know this. If the ability to hook up to water is not in our very near future then my husband and I need to consider letting our house go and begin looking for somewhere else for our family and rescue animals to live.

All I ask is for the company to attempt to put themselves on our shoes both financially and emotionally. The last almost 9 months has been devastating financially and has brought an immense amount of stress on us and we are constantly having to worry about whether or not we can continue to provide for our children our pets and our home. This situation we have been put in is not something I ever even thought could happen here in America, it's almost as though we are living in a 3rd world country sadly.

I would like to add that if the company is no longer planning to install water lines then without a doubt the standpipe should be made operable again. I know that Roadrunner Transit cannot be making a profit nor even recovering flat cost to haul water at \$16.00 per 1000 gallons so that tells me that a price increase will have to happen and again we just cannot afford it.

We need help and at the very least we deserve honest communication.

Thank you

Shawn and Amy Simpson  
29998 N. Meadow Lane

Shawn 480 980 8673  
Amy 480 677 9423

8/5/2016

Gmail - Per our previous conversation



Amy McInteer <amy.pgvh@gmail.com>

---

## Per our previous conversation

1 message

---

Amy McInteer <amy.pgvh@gmail.com>

Thu, May 5, 2016 at 4:47 AM

To: mhipsher@johnsonutilities.com

Hey Matt I was in a few weeks ago trying to figure out my roadrunner bill and you said that you would try to find out if and when water lines would be getting installed up our street. I know there is lines installed up to Ivar and Sandridge which is 0.3 miles from our house.

We received a letter from Brad Cole saying they have temporarily suspended line installs due to not enough interest. I guess I question that reasoning because I've driven up the roads where lines have been installed and it looks like everyone for the most part had hooked up to water lines. I know on Ivar it appears all but 2 homes hooked up, so that seems like a great response.

So I guess ultimately I just want to find out what exactly is it going to take to get water to our house? We can't afford to continue paying this much to have water delivered, my truck really isn't made for hauling much more than 500 gallons of water and once it hits 110 degrees + we will need about 1500 gallons a day! I know that amount at least as the month prior to shutting down the standpipe we were billed for just shy of 47k gallons, at the current delivery rate 1500 gallons over 30 days will cost us a total of \$720 which is split between us and our neighbor Leonela, and that's assuming water doesn't accidentally get left on or one of the horses doesn't turn it on at night.

As I said before I'm just looking for some honest answers. If water line installs are not in our very near future then we just need to consider foreclosing on the house since there is no way we could even sell it as banks won't finance if a home doesn't have water lines installed or a well.

What would it cost us to have the lines brought down that final 0.3 miles? I'd that even a possibility?

Please, if you can, just let me know where we are at with all of this.

Thanks

Amy Simpson

29998 N. Meadow Lane

## CONTACT INFO

"AMY" AMANDA MCINTEER-SIMPSON

29998 N. MEADOW LN

SAN TAN VALLEY, AZ 85142

EMAIL

STVGETTINDEHYDRATED@GMAIL.COM

PHONE

480-677-9423

RESPECTFULLY SUBMITTED THIS DAY,

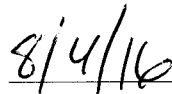


“AMY” AMANDA MCINTEER-SIMPSON

29998 N. MEADOW LN

Queen Creek, AZ 85142

stvgettindehydrated@gmail.com



DATE

**Original and 13 copies filed this      day of      , 2016 with:**

Docket Control

Arizona Corporation Commission

1200 W Washington

Phoenix, AZ 8500

BY \_\_\_\_\_